



General Assembly

Substitute Bill No. 5405

February Session, 2012

* ____HB05405PD____032612____ *

AN ACT ESTABLISHING A STATE-WIDE MILL RATE FOR MOTOR VEHICLES AND AMENDING THE DEFINITION OF ANTIQUE, RARE OR SPECIAL INTEREST MOTOR VEHICLES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2012, and applicable to assessment*
2 *years commencing on or after October 1, 2012*) (a) For purposes of this
3 section:

4 (1) "Discrepancy amount" means the amount that is equal to the
5 difference of (A) the amount of tax revenue actually collected under
6 the state-wide mill rate by a municipality with a local mill rate that is
7 higher than the state-wide mill rate, as certified to the Secretary of the
8 Office of Policy and Management pursuant to subsection (c) of this
9 section, and (B) the amount of tax revenue such municipality would
10 have collected under the local mill rate, assuming the same collection
11 rate as the actual collection rate, as certified to the Secretary of the
12 Office of Policy and Management pursuant to subsection (c) of this
13 section;

14 (2) "State-wide mill rate" means the median of the local mill rates in
15 all municipalities of the state for the assessment year in which such
16 state-wide mill rate is calculated; and

17 (3) "Excess collection amount" means an amount that is equal to the

18 difference of (A) the amount of tax revenue actually collected under
19 the state-wide mill rate by a municipality with a local mill rate that is
20 lower than the state-wide mill rate, as certified to the Secretary of the
21 Office of Policy and Management pursuant to subsection (c) of this
22 section, and (B) the amount of tax revenue such municipality would
23 have collected under the local mill rate, assuming the same collection
24 rate as the actual collection rate, as certified to the Secretary of the
25 Office of Policy and Management pursuant to subsection (c) of this
26 section.

27 (b) On or before September 1, 2012, and each September first
28 thereafter, the Secretary of the Office of Policy and Management shall
29 calculate the state-wide mill rate for the purpose of levying property
30 tax on motor vehicles subject to taxation under chapter 203 of the
31 general statutes. The secretary shall notify the assessors of each
32 municipality of the state-wide mill rate. For assessment years
33 commencing on or after October 1, 2012, the assessor of each
34 municipality shall calculate the amount of motor vehicle property tax
35 due from each taxpayer based on the state-wide mill rate determined
36 by said secretary.

37 (c) Effective for fiscal years commencing on or after July 1, 2013, the
38 tax collector of each municipality shall collect the property tax on
39 motor vehicles and, not later than the fifteenth day of October,
40 January, April and July, (1) remit any excess collection amount realized
41 in the preceding calendar quarter to the Commissioner of Revenue
42 Services for deposit into the motor vehicle property tax account
43 established under section 2 of this act, and (2) certify to the Secretary of
44 the Office of Policy and Management, on a form prescribed by said
45 secretary, the amount of tax revenue that such municipality (A) would
46 have collected in the preceding calendar quarter with respect to the
47 property tax on motor vehicles under sections 12-71 and 12-71b of the
48 general statutes except for the application of the state-wide mill rate
49 calculated by said secretary pursuant to this section, and (B) actually
50 collected with respect to such property tax in the preceding calendar
51 quarter under the state-wide mill rate, together with such supporting

52 information as said secretary shall require. For the purposes of
53 calculating the amount a municipality would have collected except for
54 the application of the state-wide mill rate, the tax collector shall
55 assume that the municipality would have realized the same tax
56 collection rate as the actual tax collection rate in the preceding calendar
57 quarter. Such remittance and certification shall be made in each
58 calendar quarter commencing on October 1, 2013, except that no such
59 remittance or certification shall be made for any calendar quarter after
60 July 15, 2018.

61 (d) (1) Effective for fiscal years commencing on or after July 1, 2013,
62 the secretary shall, not later than the first day of November, February,
63 May and August, calculate: (A) For each municipality with a mill rate
64 that is higher than the state-wide mill rate, the discrepancy amount for
65 such municipality in the preceding calendar quarter; and (B) for each
66 municipality with a mill rate that is lower than the state-wide mill rate,
67 the amount equal to five per cent of the tax revenue such municipality
68 would have collected in the preceding calendar quarter except for the
69 application of the state-wide mill rate. Such calculations shall be based
70 on the amounts certified and any supporting information provided to
71 said secretary pursuant to subsection (c) of this section. Such
72 calculations shall be made in each calendar quarter commencing on
73 November 1, 2013, except that no such calculations shall be made after
74 the calendar quarter preceding August 1, 2018.

75 (2) Effective for fiscal years commencing on or after July 1, 2013, the
76 secretary shall, not later than the first day of November, February, May
77 and August, certify to the Comptroller the motor vehicle property tax
78 payment due to each municipality as follows:

79 (A) For any municipality with a mill rate that is higher than the
80 state-wide mill rate: (i) For the period of time beginning November 1,
81 2013, and ending October 31, 2014, such municipality shall receive a
82 quarterly motor vehicle property tax payment equal to the discrepancy
83 amount calculated by the secretary pursuant to subparagraph (A) of
84 subdivision (1) of this subsection for any tax revenue due under the

85 assessment year commencing October 1, 2012; (ii) for the period of
86 time beginning November 1, 2014, and ending October 31, 2015, such
87 municipality shall receive a quarterly motor vehicle property tax
88 payment equal to eighty per cent of the discrepancy amount calculated
89 by the secretary pursuant to subparagraph (A) of subdivision (1) of
90 this subsection for any tax revenue due under the assessment year
91 commencing October 1, 2013; (iii) for the period of time beginning
92 November 1, 2015, and ending October 31, 2016, such municipality
93 shall receive a quarterly motor vehicle property tax payment equal to
94 sixty per cent of the discrepancy amount calculated by the secretary
95 pursuant to subparagraph (A) of subdivision (1) of this subsection for
96 any tax revenue due under the assessment year commencing October
97 1, 2014; (iv) for the period of time beginning November 1, 2016, and
98 ending October 31, 2017, such municipality shall receive a quarterly
99 motor vehicle property tax payment equal to forty per cent of the
100 discrepancy amount calculated by the secretary pursuant to
101 subparagraph (A) of subdivision (1) of this subsection for any tax
102 revenue due under the assessment year commencing October 1, 2015;
103 and (v) for the period of time beginning November 1, 2017, and ending
104 October 31, 2018, such municipality shall receive a quarterly motor
105 vehicle property tax payment equal to twenty per cent of the
106 discrepancy amount calculated by the secretary pursuant to
107 subparagraph (A) of subdivision (1) of this subsection for any tax
108 revenue due under the assessment year commencing October 1, 2016.

109 (B) For any municipality with a mill rate that is lower than the state-
110 wide mill rate, for the period of time beginning November 1, 2013, and
111 ending October 31, 2018, any such municipality shall receive a
112 quarterly motor vehicle property tax payment equal to the amount
113 calculated by the secretary pursuant to subparagraph (B) of
114 subdivision (1) of this subsection.

115 (3) Effective for fiscal years commencing on or after July 1, 2013, the
116 Comptroller shall draw an order on the Treasurer on or before the
117 fifteenth calendar day following November first, February first, May
118 first and August first, and the Treasurer shall pay the amount thereof

119 from the motor vehicle property tax account to such municipality on or
120 before the fifteenth calendar day following said dates.

121 (e) If there are any remaining funds in the motor vehicle property
122 tax account after the amount of the payments described in subsection
123 (d) of this section are calculated, such funds shall be carried over into
124 the following fiscal year. If there are any remaining funds in said
125 account on December 1, 2018, the secretary shall transfer such funds to
126 the General Fund.

127 Sec. 2. (NEW) (*Effective October 1, 2012, and applicable to assessment*
128 *years commencing on or after said date*) There is established an account to
129 be known as the "motor vehicle property tax account" which shall be a
130 separate, nonlapsing account within the General Fund. The account
131 shall contain any moneys required by law to be deposited in the
132 account. Moneys in the account shall be expended by the State
133 Treasurer for the purposes of section 1 of this act.

134 Sec. 3. Subsection (b) of section 12-71 of the general statutes is
135 repealed and the following is substituted in lieu thereof (*Effective*
136 *October 1, 2012, and applicable to assessment years commencing on or after*
137 *said date*):

138 (b) Except as otherwise provided by the general statutes, property
139 subject to this section shall be valued at the same percentage of its then
140 actual valuation as the assessors have determined with respect to the
141 listing of real estate for the same year, except that any antique, rare or
142 special interest motor vehicle, as defined in section 14-1, shall be
143 assessed at a value of not more than two thousand five hundred
144 dollars. The owner of such antique, rare or special interest motor
145 vehicle may be required by the assessors to provide reasonable
146 documentation that such motor vehicle is an antique, rare or special
147 interest motor vehicle, provided any motor vehicle for which special
148 number plates have been issued pursuant to section 14-20 shall not be
149 required to provide any such documentation. The provisions of this
150 section shall not include money or property actually invested in

151 merchandise or manufacturing carried on out of this state or
152 machinery or equipment which would be eligible for exemption under
153 subdivision (72) of section 12-81 once installed and which cannot begin
154 or which has not begun manufacturing, processing or fabricating; or
155 which is being used for research and development, including
156 experimental or laboratory research and development, design or
157 engineering directly related to manufacturing or being used for the
158 significant servicing, overhauling or rebuilding of machinery and
159 equipment for industrial use or the significant overhauling or
160 rebuilding of other products on a factory basis or being used for
161 measuring or testing or metal finishing or in the production of motion
162 pictures, video and sound recordings.

163 Sec. 4. Section 12-71d of the general statutes is repealed and the
164 following is substituted in lieu thereof (*Effective July 1, 2012*):

165 On or before the first day of October each year, the Secretary of the
166 Office of Policy and Management shall recommend a schedule of
167 motor vehicle values [which] that shall be used by assessors in each
168 municipality in determining the assessed value of motor vehicles for
169 purposes of property taxation. Such schedule shall include motor
170 vehicle values for motor vehicles up to thirty years old. For every
171 vehicle not listed in the schedule the determination of the assessed
172 value of any motor vehicle for purposes of the property tax assessment
173 list in any municipality shall continue to be the responsibility of the
174 assessor in such municipality, provided the legislative body of the
175 municipality may, by resolution, approve any change in the assessor's
176 method of valuing motor vehicles. Any appeal from the findings of
177 assessors concerning motor vehicle values shall be made in accordance
178 with provisions related to such appeals under this chapter. Such
179 schedule of values shall include, to the extent that information for such
180 purpose is available, the value for assessment purposes of any motor
181 vehicle currently in use. [The value for each motor vehicle as listed
182 shall represent one hundred per cent of the average retail price
183 applicable to such motor vehicle in this state as of the first day of
184 October in such year as determined by said secretary in cooperation

185 with the Connecticut Association of Assessing Officers.] Said secretary
 186 shall determine the value for each motor vehicle as listed, provided no
 187 motor vehicle shall be assessed based on the fair market value
 188 applicable to such motor vehicle.

189 Sec. 5. Subdivision (2) of section 14-1 of the 2012 supplement to the
 190 general statutes, as amended by section 37 of public act 10-110 and
 191 section 61 of public act 11-213, is repealed and the following is
 192 substituted in lieu thereof (*Effective October 1, 2012*):

193 (2) "Antique, rare or special interest motor vehicle" means a motor
 194 vehicle [twenty] thirty years old or older which is being preserved
 195 because of historic interest and which is not altered or modified from
 196 the original manufacturer's specifications;

197 Sec. 6. Section 12-122a of the general statutes is repealed. (*Effective*
 198 *October 1, 2012*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2012, and applicable to assessment years commencing on or after October 1, 2012</i>	New section
Sec. 2	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	New section
Sec. 3	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	12-71(b)
Sec. 4	<i>July 1, 2012</i>	12-71d
Sec. 5	<i>October 1, 2012</i>	14-1(2)
Sec. 6	<i>October 1, 2012</i>	Repealer section

Statement of Legislative Commissioners:

In subsections (a), (c) and (d) of section 1, technical changes were made for consistency in terminology and to conform to the style of the general statutes.

PD *Joint Favorable Subst.-LCO*